



7521 Westshire, Suite 200
Lansing, MI 48917
517.622.3530
Fax: 517.622.3420
www.mpamacs.org

Why Michigan needs to adopt the 2014 version of Handbook 130 and Handbook 44 in 290.628c

Recent studies have shown that nationwide approximately 20% of the time when a customer has vehicle engine (motor) oil installed in their car they are not getting what they pay for. This not only hurts customers, but can create an uneven playing field for honest merchants. To improve the enforcement capabilities necessary to address this issue in 2013, the National Conference on Weights and Measures (NCWM) expanded the scope of existing labeling requirements for packaged automotive engine oils to include bulk oil storage tanks and dispensers. This is a part of NCWM's new guidelines that require oil change locations to provide consumers with more transparency on engine oils to help them make informed decisions regarding their purchases. The new rules for implementation, are published in the National Institute of Standards and Technology (NIST) Handbook 130, include Uniform Regulation for Method of Sale and Uniform Engine Fuels and Lubricants Regulation. Michigan adopts these rules and last did so in 2012. The rules may require oil change facilities to change the signage on their bulk tanks and other storage containers (totes and drums), as well as the information printed on the customer invoice or receipt when providing an oil change. Specifically the rules state:

1. For service providers that install vehicle engine (motor) oil from bulk receptacles, dispensers, or storage tanks; that container should be labeled with following information:

- Motor oil brand name
- SAE viscosity of the engine oil (e.g., SAE 5W-20)
- Engine Oil Service category (e.g., API SN)
- Intended use (i.e., Motor Oil)
- Obsolete Service category warning (e.g., if API SF, "Not suitable for use in gasoline powered engines built after 1988")

2. For wholesalers/suppliers that sell vehicle engine (motor) oil in tank trucks, rail cars and other types of delivery trucks used to deliver vehicle engine (motor) oil they are not required to display the SAE viscosity grade and service category or categories on such tank trucks, rail cars, and other types of delivery trucks.

However, when the engine (motor) oil is sold in bulk, and invoice, bill of lading, shipping paper, or other documentation must accompany each delivery. This document must identify the following information:

- Quantity of vehicle engine (motor) oil
- Viscosity
- Intended Use
- Brand
- Engine Service Category
- Name and address of the seller and buyer
- Date and time of sale
- Obsolete Service Category warning, which must be retained in the retail establishment for 12 months.

3. For service providers that install engine oil, the customer receipt should provide the following information:

- Motor oil brand installed
- SAE viscosity grade
- Engine Oil Service category
- Obsolete Service category warning

Amendments to the NIST 130 handbook take effect on January 1, 2014, for distributors in the same 20 states that use the most recent version of NIST 130 to establish state labeling standards. Michigan does not automatically adopt updates of the latest version. We must adopt the 2014 version of NIST Handbook 130 to adopt these new "Method of Sale" regulations. The same labeling standard would be in place for Installers and Marketers and distributors of bulk motor oil.

SB 506 Testimony
December 7, 2016

Michigan Oil Change Association

Good morning Mr. Chairman and members of the Committee. Thank you for giving us the opportunity to speak to you this morning. I also want to thank Senator Green for his assistance and guidance on this issue. My comments will be brief.

My name is Bob Cleary, I am the Vice President of the Michigan Petroleum Association and our Division the Michigan Oil Change Association. We represent petroleum wholesalers, retailers, and oil change installers throughout the state and have members in every county.

I have distributed our handout that has some talking points on what the 2014 editions of Handbook 130 and Handbook 44 address in regards to the oil change industry. Primarily it will require the simple concept that if you go into an establishment to get your oil changed, the service provider or installer must give you a receipt that shows what you have bought. The same basic requirement will be required of oil suppliers that sell oil to service providers or installers.

This will create the necessary paperwork to establish the proper chain of custody and establish the proper Method of Sale. As I note in the handout, recent studies have shown that approximately 20% of the time customers may not be getting what they have paid for.

To put the 20% into perspective, if you assume that half of Michigan's 10 million registered vehicles get their oil changed at least once per year in an oil change facility, that would mean about 16,000 vehicles receive an oil change every working day. It also means that about 3,200 of those customers may not be receiving what they pay for.

This bill will go a long way to insure that each and every day those 3,200 customers are protected. It will also insure that there is a level playing field for the honest business men and women who make up the vast majority of those in this industry.

Overall, we look forward to working with the Department Agriculture and Rural Development (MDARD) in implementing these important changes that will afford customers a new sense of transparency and enhance the enforcement capabilities of the Department. We all want a level playing field, and most importantly, we want to protect the customer.

Thank you for the time. I would be happy to try and answer any questions you may have.

